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McFarlane Said to Solicit Contra Aid From Saudis

Source Contradicts Administration Accounts



By David Hoffman
and Bob Woodward
Washington Post Staff Writers

Former national security adviser Robert C. McFarlane twice secretly solicited Saudi officials to contribute millions of dollars to help the Nicaraguan rebels, the second time after Congress had terminated military aid to them, a diplomatic source familiar with the Saudi version of events claimed yesterday.

The source made the claim after President Reagan acknowledged in public for the first time that he and King Fahd had discussed Saudi assistance for the contras in February 1985, when Fahd told the president of plans to double the Saudi contributions to the Nicaraguan rebels.

Speaking to reporters, Reagan said he "expressed pleasure" at the time that Fahd was helping with the contras. But, Reagan said, "There was no solicitation that I know of or anything of the kind. I did know, and had been informed, that he was helping, and—but I never brought it up."

Although the account provided by the diplomatic source close to the Saudis flatly contradicts McFarlane's testimony and past Reagan administration statements, that conflict may never be pursued before the Iran-contra committees in Congress or in U.S. courts. Administration officials said yesterday that Saudi Ambassador Bandar bin Sultan wrote a letter dated May 1 to Secretary of State George P. Shultz declining to answer any written questions on the issue from independent counsel Lawrence E. Walsh or the congressional panels. In the letter, the ambassador explained his refusal to cooperate by saying, "Our confidences and commitments, like our friendship, are given for not just the moment but for the long run."

Leonard Garment, McFarlane's attorney, said last night that "Mr. McFarlane stands by every single word of his testimony."

In that testimony this week, McFarlane said that he did not solicit the Saudi contributions but did discuss the needs of the contras with a representative of Saudi Arabia—presumably the Saudi ambassador, Prince Bandar—in the spring of 1984. McFarlane claimed that the Saudi official then volunteered the contributions.

But the diplomatic source said McFarlane requested \$8 million to \$10 million from the Saudis in May or June 1984. At the time McFarlane insisted to them that Reagan did not know of his efforts, the source said. The second solicitation, according to this version, came during Fahd's February 1985 trip, when McFarlane made an unannounced visit to see the king and Bandar at the ambassador's residence in McLean. According to this account, after meeting the king, McFarlane asked Bandar for \$15 million to help the contras.

The source said McFarlane was "very nervous" when he asked for the money, and that he emphasized the need for secrecy. The source quoted McFarlane as saying, "We will fall on our swords before we let this become public."

Saudi Arabia has repeatedly denied making any contributions to the contras. But two sources said yesterday that the Saudis have decided it is time to acknowledge the contributions, particularly after Reagan's remarks yesterday identifying Fahd.

Previous reports have set the total Saudi contribution at \$32 million, but the diplomatic source said the total was actually \$23 million. The source said the remaining \$9 million, also deposited in the same bank account controlled by the contras and previously thought to have come from Saudi Arabia, did not come from the Saudis.

The Saudis contributed \$8 million between mid-1984 and early 1985, then made two separate con-

tributions of \$7.5 million each on March 15 and March 25, 1985, shortly after the Fahd visit.

The legality of solicitations of aid for the contras is in dispute. McFarlane has testified this week that in his opinion, Congress had made it illegal for U.S. officials to solicit foreign contributions after October 1984, but others have disputed this interpretation of the Boland Amendment to which McFarlane referred.

Sen. William S. Cohen (R-Maine), a member of the Senate Iran-contra panel, said yesterday that the Reagan-Fahd discussions in 1985 did amount to a solicitation, despite Reagan's denial. "I think everyone understands that when you put two leaders together, they have discussions, which lead almost immediately to a contribution to the contras, that that constitutes a solicitation."

White House officials yesterday confirmed that Reagan had noted the discussion with Fahd in his personal diary, in an account of his private meeting with the king in the White House on Feb. 11, 1985.

The White House officials refused to give the exact wording of the diary entry. "The subject was never broached until, in his leaving, he told me what he was doing," Reagan said yesterday.

McFarlane had originally said that Reagan did not discuss the contras with Fahd, but changed his testimony because he was informed by a White House official that Reagan's diary included an entry describing the conversation with Fahd.

The official who informed McFarlane of this has not been identified. White House spokesman Marlin Fitzwater said yesterday it was an unauthorized disclosure. The White House has said it is not providing information to or cooperating with witnesses before the congressional panels.

When Reagan was asked yesterday how McFarlane learned of the diary entry, he responded, "Well, it was in the Tower commission report." However, the report does not include this information and the Tower board did not receive this part of the president's diary, a source said.

White House officials including national security adviser Frank C. Carlucci and chief of staff Howard H. Baker Jr. have known about Reagan's diary entry describing the Fahd conversation since March 15, sources said.

Baker, Carlucci and their wives dined with Reagan in the White House residence that night. That evening, in response to their questions, Reagan checked his diary and told them what it contained. In response to queries, Carlucci subsequently told The Washington Post that there had been "no solicitation of Fahd for the contras by the president." Carlucci neglected to say that Reagan and Fahd had discussed the issue and that Reagan had recorded it in his diary.

At the time, Carlucci and others were in contact with McFarlane about the Fahd meeting, the sources said.

Staff writer David B. Ottaway and researcher Michelle Hall contributed to this report.